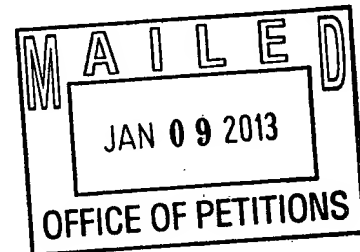




UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
www.uspto.gov

FRANK J CATALANO
CATALANO ZINGERMAN & MCKAY
810 SOUTH CINCINNATI SUITE 200
TULSA OK 74119



In re Patent of :
Johnny P. Ellis :
Patent No. 5,582,085 :
Issue Date: 12/10/1996 :
Application No.: 08/336335 : DECISION
Filing or 371(c) Date: 11/09/1994 : ON PETITION
Title of Invention: :
DYNAMIC INFEED CONTROL WITH :
WORKPIECE OSCILLATION FOR :
SEGMENTING SWARF IN A LATHE :
APPLICATION :

This is a decision on the petition under 37 CFR § 1.378(b), to reinstate the above-identified patent, filed November 21, 2012.

The petition is **DISMISSED**.

Any further petition to revive the above-identified application must be submitted within TWO (2) MONTHS from the mail date of this decision. Extensions of time under 37 CFR 1.136(a) are permitted. The reconsideration request should include a cover letter entitled "Renewed Petition under 37 CFR 1.137." This is **not** final agency action within the meaning of 5 U.S.C. § 704.

Background

The patent issued December 10, 1996. Patentee could have paid the eleven and one half (11½) year maintenance fee between December 10, 2007, and May 10, 2008, without a surcharge, or within the six (6) month grace period between May 11, 2008 and December 10, 2008. Patentee failed to do so; accordingly, the patent became expired on midnight of December 10, 2008.

The present petition

Patentee/Petitioner, files the present petition and provides that the owner of the patent is Coburn Technologies, and includes the Declaration of Mr. Steve Bedford, Executive Director of Engineering of Coburn Technologies. Mr. Bedford provides that he has held the position of

Executive Director of Engineering with the predecessor in interest in the present patent, Gerber Coburn, and that he has been with Coburn Technologies, Inc., and Gerber Coburn (“collectively referred to as “Coburn”) for a total of 15 years. Mr. Bedford provides further that as the Executive Director of Engineering at Coburn his responsibility included maintenance of the Coburn patent portfolio. Mr. Bedford does not provide whether he has held the position of Executive Director of Engineering at Coburn from the due date for payment of the maintenance fee, December 10, 2008, to the present, but only that he has been with the company for 15 years.

Petitioner and Mr. Bedford provide that the system in place for ensuring timely payment of the maintenance fee was that Morgan Finnegan LLP (hereafter “Morgan Finnehan”), would advise Coburn in writing which patents were up for renewal and would request written instructions whether or not the maintenance fee should be paid. Petitioner and Mr. Bedford state that on January 30, 2008 Mr. Bedford provided counsel at Morgan Finnegan, Mr. Keith McWha, with written instructions to pay the maintenance fee for the present patent. In support of this assertion, petitioner provides a copy of an email from Mr. Bedford to Mr. McWha, which states “Keith, here is an updated pay/cancel patent annuity list for FY08 and also the list for FY09.” It is noted that no attachment is indicated in the email as having accompanied the email.

However, also filed is a document entitled “Gerber Coburn-Annuities May 1, 2007-April 30, 2008 Updated 1/30/2008.” Here it is noted that the list specifically states that the annuities list ends April 30, 2008. It is also noted that the list includes the present patent.

Petitioner and Mr. Bedford provide that Morgan Finnegan was going through some troubled times during 2008, including the defection of Mr. McWha, and in February 2009 the firm dissolved. As a result of the troubles at Morgan Finnegan on November 13, 2008, Coburn requested that all of its patent files be transferred to its new patent counsel, Crowell Moring, LLP.

Petitioner subsequently learned of a potential issue with the status of the present patent from one of its licensees in late September 2012, which led to the filing of the present petition.

Petitioner avers that payment of the maintenance fee was unavoidable, and notes the MPEP 2590, and provides that a delay in payment was unavoidable if it were shown that reasonable care was exercised in designing and operating the system and that the patentee took reasonable steps to ensure that the patent was entered into the system to ensure timely payment of the maintenance fees.

Applicable Law, Rules and MPEP

37 CFR 1.378(b) provides that a patent may be reinstated at any time following expiration of the patent for failure to timely pay a maintenance fee. A petition to accept late payment of a maintenance fee, where the delay was unavoidable, must include:

- (A) the required maintenance fee set forth in 37 CFR 1.20(e)-(g);
- (B) the surcharge set forth in 37 CFR 1.20(i)(1); and
- (C) a showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly

after the patentee was notified of, or otherwise became aware of, the expiration of the patent.

The required showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly. Furthermore, an adequate showing requires *a statement by all persons with direct knowledge of the cause of the delay*, setting forth the facts as they know them. Copies of all documentary evidence referred to in a statement should be furnished as exhibits to the statement. (Emphasis supplied).

As language in 35 U.S.C. § 41(c)(1) is identical to that in 35 U.S.C. § 133 (i.e., “unavoidable” delay), a late maintenance fee for the unavoidable delay standard is considered under the same standard for reviving an abandoned application under 35 U.S.C. § 133. *See Ray v. Lehman*, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (quoting *In re Patent No. 4,409,763*, 7 USPQ2d 1798, 1800 (Comm’r Pat. 1988), *aff’d sub nom. Rydeen v. Quigg*, 748 F. Supp. 900, 16 USPQ2d 1876 (D.D.C. 1990), *aff’d*, 937 F.2d 623 (Fed. Cir. 1991) (table), *cert. denied*, 502 U.S. 1075 (1992)). *See* MPEP § 711.03(c) for a general discussion of the “unavoidable” delay standard.

As 35 U.S.C. § 41(c) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 U.S.C. § 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. *Ray*, 55 F.3d at 609, 34 USPQ2d at 1788. That is, an adequate showing that the delay in payment of the maintenance fee at issue was “unavoidable” within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken to ensure the timely payment of the maintenance fees for this patent. *Id.* Thus, where the record fails to disclose that the patentee took reasonable steps, or discloses that the patentee took no steps, to ensure timely payment of the maintenance fee, 35 U.S.C. 41(c) and 37 CFR 1.378(b)(3) preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b).

In view of the requirement to enumerate the steps taken to ensure timely payment of the maintenance fee, the patentee’s lack of knowledge of the need to pay the maintenance fee and the failure to receive the Maintenance Fee Reminder do not constitute unavoidable delay. *See Patent No. 4,409,763*, *supra*. *See also* Final Rule entitled “Final Rules for Patent Maintenance Fees,” published in the *Federal Register* at 49 Fed. Reg. 34716, 34722-23 (August 31, 1984), and republished in the *Official Gazette* at 1046 Off. Gaz. Pat. Office 28, 34 (September 25, 1984). Under the statutes and rules, the Office has no duty to notify patentees of the requirement to pay maintenance fees or to notify patentees when the maintenance fees are due. It is solely the responsibility of the patentee to assure that the maintenance fee is timely paid to prevent expiration of the patent. The lack of knowledge of the requirement to pay a maintenance fee and the failure to receive the Maintenance Fee Reminder will not shift the burden of monitoring the time for paying a maintenance fee from the patentee to the Office. Thus, evidence that despite reasonable care on behalf of the patentee and/or the patentee’s agents, and reasonable steps to ensure timely payment, the maintenance fee was unavoidably not paid, could be submitted in support of an argument that the delay in payment was unavoidable.

Moreover, the Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and applicant is bound by the consequences of those actions or inactions. *Link v. Wabash*, 370 U.S. 626, 633-34 (1962); *Huston v. Ladner*, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992); *see also Haines v. Quigg*, 673 F. Supp. 314, 317, 5 USPQ2d 1130, 1132 (D.N. Ind. 1987). Specifically, petitioner's delay caused by the actions or inactions of his voluntarily chosen representative does not constitute unavoidable delay within the meaning of 35 USC 133 or 37 CFR 1.137(a). *Haines v. Quigg*, 673 F. Supp. 314, 5 USPQ2d 1130 (D. Ind. 1987); *Smith v. Diamond*, 209 USPQ 1091 (D.D.C. 1981); *Potter v. Dann*, 201 USPQ 574 (D.D.C. 1978); *Ex parte Murray*, 1891 Dec. Comm'r Pat. 130, 131 (Comm'r Pat. 1891). *In re Mattullath*, 38 App. D.C. 497, 514-15 (1912)(quoting *Ex parte Pratt*, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); *see also Winkler v. Ladd*, 221 F. Supp. 550, 552, 138 USPQ 666, 167-68 (D.D.C. 1963), *aff'd*, 143 USPQ 172 (D.C. Cir. 1963); *Ex parte Henrich*, 1913 Dec. Comm'r Pat. 139, 141 (1913).

An error in a docketing system could possibly result in a finding that a delay in payment was unavoidable if it were shown that reasonable care was exercised in designing and operating the system and that the patentee took reasonable steps to ensure that the patent was entered into the system to ensure timely payment of the maintenance fees.

A showing of unavoidable delay will (in addition to the above) require: (1) evidence concerning the procedures in place that should have avoided the error resulting in the delay; (2) evidence concerning the training and experience of the persons responsible for the error; and (3) copies of any applicable docketing records to show that the error was in fact the cause of the delay. See MPEP § 711.03(c)(III)(C)(2).

A delay resulting from an error (e.g., a docketing error) on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay, provided it is shown that:

- (A) the error was the cause of the delay at issue;
- (B) there was in place a business routine for performing the clerical function that could reasonably be relied upon to avoid errors in its performance; and
- (C) the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care. See *In re Egbers*, 6 USPQ2d 1869, 1872 (Comm'r Pat. 1988), *rev'd on other grounds sub nom., Theodor Groz & Sohne & Ernst Bechert Nadelfabrik KG v. Quigg*, 10 USPQ2d 1787 (D.D.C. 1988); *In re Katrapat*, 6 USPQ2d 1863, 1867-68 (Comm'r Pat. 1988).

Opinion

Initially it is noted that petitioner has failed to demonstrate that the delay in payment of the maintenance fee was due to a docketing error. Petitioner has not provided the docketing error that was the cause of the delay; petitioner has not provided any clerical function in which the performance thereof may have caused the delay, or a business routine for performing the clerical function that could reasonably have been relied upon to avoid an error that caused the delay, and

petitioner has not identified any employee that performed the clerical function that caused the delay, or demonstrated that said employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care.

Petitioner is advised that petitioner's delay caused by the actions or inactions of his voluntarily chosen representative does not constitute unavoidable delay. As to the evidence filed putatively establishing the failure of Morgan Finnegan to timely pay the maintenance fee, it is noted that the copy of the email from Mr. Bedford to Mr. McWha, which states "Keith, here is an updated pay/cancel patent annuity list for FY08 and also the list for FY09," fails to indicate that an attachment was included with the email. If the patent annuity list was not an attachment, but instead part of the email, petitioner should explain why the list seemingly begins on a separate page. Petitioner has also not identified the dates of the fiscal year in use by Coburn at the time of the email, when the email from Mr. Bedford to Mr. McWha refers to a list for FY08 and FY09, while the patent annuity list filed with the email covers only the single 12-month period from May 1, 2007 to April 30, 2008. Finally, Petitioner has not provided any information as to the frequency of the pay/cancel list provided to Morgan Finnegan (semi-annual, annual, biennial, etc.), and whether any subsequent list was provided to Morgan Finnegan. Despite the evidence provided, Petitioner should note that a breakdown of communication between petitioner and their client is not considered to be grounds for granting a petition for late payment of the maintenance fee under the unavoidable standard. See, *Ray v. Lehman*, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995).

Finally, Petitioner is advised that the showing pursuant to 37 CFR 1.378(b) requires petitioner to enumerate the steps that were taken to ensure timely payment of the maintenance fee from the time the patent expired, midnight of December 10, 2008, to the filing of the petition. Here, petitioner provides that prior to the expiration of the present patent, as a result of the troubles at Morgan Finnegan, on November 13, 2008, Coburn requested that all of its patent files be transferred to its new patent counsel, Crowell Moring, LLP. Petitioner is required to provide a showing as to why payment of the maintenance fee was unavoidably delayed from the time the patent expired, midnight of December 10, 2008, to the filing of the petition. Petitioner has provided no information as to when the file transfer was effectuated, or what was included in the transfer of its patent files, and in particular the transfer of the present file, to Crowell Moring, LLP. Petitioner provides that it was not until after learning of a potential issue from a licensee in September 2012 that a re-check of the status of certain patents was performed, indicating that an initial check of the status of certain patents was performed. Petitioner should clarify whether an initial check of the status of the present patent was performed upon transfer of the present file to Crowell Moring, LLP, and provide the results of the check. An adequate showing that the delay in paying the maintenance fee was unavoidable requires a showing the steps that were taken to ensure timely payment of the maintenance fee from the time the maintenance fee was due to the filing of the present petition.

Conclusion

Patentee has failed to demonstrate that the failure to pay the maintenance fee was unavoidable. The petition is dismissed.

I. Petitioner may file a request for reconsideration.

After a decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner. Therefore, it is extremely important that petitioner supply any and all relevant information and documentation with his request for reconsideration. The Commissioner's decision will be based solely on the administrative record in existence. Petitioner should remember that it is not enough that the delay was unavoidable; petitioner must prove that the delay was unavoidable. A petition will not be granted if petitioner provides insufficient evidence to 'show' that the delay was unavoidable. Therefore, if a request for reconsideration is filed, it must establish that the entire delay in the submission of the maintenance fee was unavoidable.

Petitioner may request a refund of the maintenance fee and surcharge by writing to the Office of Finance, Refund Section, Commissioner for Patents, Washington, DC, 20231. A copy of this decision should accompany petitioner's request.

A review of the petition reveals that the address appearing on the petition differs from the correspondence address of record. Applicant is advised that, in patented files: requests for changes of correspondence address, powers of attorney, revocations of powers of attorney, withdrawal of attorney and submissions under 37 CFR 1.501: Designation of, or changes to, a fee address, should be addressed to Mail Stop M Correspondence. A courtesy copy of this decision is being mailed to the address noted on the petition. However, until otherwise instructed, all future correspondence regarding this application will be mailed solely to the address of record.

Further correspondence with respect to this matter should be addressed as follows:

By mail:

Mail Stop PETITIONS
Director for Patents
PO Box 1450
Alexandria, VA 22313-1450

By FAX: (571) 273-0025
Attn: Office of Petitions

By hand: Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

Telephone inquiries concerning this matter should be directed to the undersigned at (571) 272-3232.

/DLW/

Derek L. Woods
Attorney
Office of Petitions

CC: STEPHEN W. PALAN
1001 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, DC 20004-2595